

FMSIC #182 – LLNL Labor Augmentation Process

At LLNL, the personnel that augment our FTE labor force are commonly referred to as “supplemental labor”. Beginning in FY00, LLNL entered into a master vendor agreement wherein one vendor was responsible for the entire supplemental labor community.

Obtaining service: Supplemental labor is obtained under a master vendor contract that was competitively bid. Potential bidders were provided with an RFP specifying requirements. A cross-functional review team including Human Resources, Procurement and program/user representatives evaluated RFP responses. The review team ranked the bidders using a “best value procurement” scoring system. The more qualified bidders were invited to give an oral presentation to further demonstrate their capability to handle the contract. Reference checks and a Dunn & Bradstreet report were done for the three finalists prior to the selection of the master vendor.

Verifying service – labor: Supplemental laborers report their time and LLNL users verify and approve time worked. Weekly, the master vendor creates and sends an electronic feeder file of contractual billing rates and direct labor hours to the LLNL Effort System (labor distribution system). The Effort System validates the file data and rejects those records that fail to contain required data fields and/or invalid data (e.g., employee ID, payroll account, etc.). The Effort System creates: 1) an invoice file that is electronically sent to accounts payable; 2) a summary report of valid and reimbursable total hours and dollars (wage expense); 3) a detail report listing each supplemental laborer with report period, earn type, hours and dollars; and, 4) edit reports for misreported time such as exempt personnel reporting overtime.

The LLNL Supplemental Labor Office (SLO) oversees the master vendor contract, functions as a liaison between LLNL and the vendor and administers supplemental labor policies and procedures. SLO personnel use the summary report hours and dollars as a reasonableness check to release the invoice for payment. Afterwards, SLO personnel use the detail report to check for anomalies in reporting and also to conduct random audits of the submitted billing rates. Discrepancies are communicated to the master vendor for correction/clarification. The edit reports are sent to the master vendor for correction and a copy is also sent to the SLO for tracking the errors.

Indirect costs: All LLNL indirect costs, except payroll burden, are applied to the supplemental labor wage expense. The extent of the application is dependent on whether the wage is charged on direct funded, work-for-others or indirect accounts. Payroll burden is not applied because supplemental labor are not laboratory employees and their payroll fringes are included in the vendor's billing rate.